

## CORN PRODUCTION

### COSTS AND RETURNS 2001 - 2002 <sup>1/</sup>

ITEM	UNITED STATES		HEARTLAND		EASTERN UPLANDS	
	2001	2002	2001	2002	2001	2002
Gross value of production	Dollars Per Planted Acre					
(excluding direct Government payments):						
Primary product: Corn grain	264.96	310.88	271.80	326.60	182.40	172.19
Secondary product: Corn silage	1.96	1.94	1.37	1.33	20.99	15.78
Total, gross value of production	\$266.92	\$312.82	\$273.17	\$327.93	\$203.39	\$187.97
Operating costs:						
Seed	32.34	31.84	33.00	31.60	28.27	29.67
Fertilizer	47.72	35.49	49.85	37.24	46.97	37.10
Soil conditioners <sup>2/</sup>	0.12	0.12	0.09	0.09	0.74	0.75
Manure	2.65	2.13	1.73	1.37	3.30	2.57
Chemicals	26.44	26.11	26.67	26.22	23.77	23.48
Custom operations <sup>3/</sup>	10.94	10.79	9.77	9.69	9.24	7.79
Fuel, lube, and electricity	20.88	18.93	16.18	15.28	9.00	6.86
Repairs	13.76	13.91	12.21	12.35	10.65	10.09
Other variable cash expenses <sup>4/</sup>	0.22	0.22	0.00	0.00	0.00	0.00
Interest on operating capital	2.60	1.17	2.50	1.13	2.21	1.00
Total, operating costs	\$157.67	\$140.71	\$152.00	\$134.97	\$134.15	\$119.31
Allocated overhead:						
Hired labor	2.92	3.06	2.10	2.19	3.86	3.92
Opportunity cost of unpaid labor	24.96	25.74	22.20	23.03	46.72	47.54
Capital recovery of machinery and equipment	54.69	55.26	51.27	51.87	46.60	44.05
Opportunity cost of land (rental rate)	86.50	87.44	96.90	98.83	50.43	48.67
Taxes and insurance	5.49	5.42	5.15	5.07	6.05	6.07
General farm overhead	11.67	11.91	10.49	10.69	11.93	12.22
Total, allocated overhead	\$186.23	\$188.83	\$188.11	\$191.68	\$165.59	\$162.47
Total, costs listed	\$343.90	\$329.54	\$340.11	\$326.65	\$299.74	\$281.78
Value of production less total costs listed	-76.98	-16.72	-66.94	1.28	-96.35	-93.81
Value of production less operating costs	109.25	172.11	121.17	192.96	69.24	68.66
Supporting information:						
Yield (bushels per planted acre)	144	134	151	142	95	67
Price (dollars per bushel at harvest)	1.84	2.32	1.80	2.30	1.92	2.57
Enterprise size (planted acres) <sup>1/</sup>	236	236	270	270	72	72
Production practices: <sup>1/</sup>						
Irrigated (percent)	14	14	5	5	1	1
Dryland (percent)	86	86	95	95	99	99

The Economic Research Service revised its accounting methodology for corn, soybeans, cotton, grain sorghum, peanuts, hogs and cow-calf enterprises to conform with the new stands recommended by the American Agricultural Economics Association (AAEA) Task Force on Commodity Costs and Returns. For these same commodities, ERS is publishing regional estimates using new resource regions. **Western Kentucky is considered Heartland while eastern Kentucky is included in Eastern Uplands.**  
<sup>1/</sup>Developed from survey base year, 2001. <sup>2/</sup>Cost of lime. <sup>3/</sup>Cost of custom operation, technical services and commercial drying.  
<sup>4/</sup>Cost of purchased irrigation water.